

amendments that are up on the board right now, Mr. Speaker. We had not expected this bill to come up, otherwise they would have been published and we will have some published amendments in the event that the debate extends over past the noon hour today. What the first of several amendments that we have prepared does, the one that we are debating right now, Mr. Speaker, is that it permits a facility to be depreciated only once. Now you all will recall from the debate last year that one of the principle difficulties we had with the transfer of nursing homes is that nursing home facilities were depreciated several times with the taxpayers picking up approximately half of the expense of every depreciation. Senator Wesely and myself and others brought to this body's attention what has happened to the state's share of the medicaid budget. This increase from approximately 65 million to approximately 90 million to...for the coming fiscal year Department of Welfare has requested approximately \$120,000,000 in state funds to pick up only the state's share of medicaid reimbursement. Now costs are obviously getting terribly out of control. One of the fundamental reasons for this is because of excessive transfers of nursing homes which we feel are taking place in the state of Nebraska. Now, Senator Wesely and I also talked at length last year about a practice which evidently is taking place in some parts of the state where a nursing home will be purchased, it will be depreciated down with the state picking up a substantial portion of that depreciation along with the federal government's and the county government, then it will be sold at a highly marked up rate, then it will be depreciated down again with the state picking up a substantial share of that depreciation along with the federal government and the county government, and it will be sold again and depreciated on down and sold again and depreciated on down. Now this is a serious problem which results in a considerable amount of money coming straight out of the taxpayers' pockets. The reason that the recapture provision was enacted last year as part of the certificate of need bill was to permit the state to recoup some of the funds whenever nursing homes were sold at a profit...recoup some of the funds that were paid out in depreciation the year before. Now there are several ways that we can handle this problem, and the amendment that is up on the board right now represents one of the ways that we can handle the problem if Senator Kelly and others are unhappy with the recapture provision. What this amendment does is this amendment states simply, it states very simply that a nursing home can be depreciated only once regardless of the number of changes in ownership, and we think that makes eminent good sense and it is fair to the owners of the